



NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION: BACHELOR OF ECONOMICS	
QUALIFICATION CODE: 07BECO	LEVEL: 6
COURSE CODE: ENS612S	COURSE NAME: ECONOMICS OF NAMIBIA AND SACU COUNTRIES
SESSION: JANUARY 2025	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	Mr. Mally Likukela
MODERATOR:	Mr Ngendeepi

INSTRUCTIONS	
	<ol style="list-style-type: none">1. There are four (4) Questions in this paper.2. Candidates must answer only four Questions.3. Answer ALL the questions.4. Write clearly and neatly.5. Number the answers clearly.

PERMISSIBLE MATERIALS

1. Examination paper.
2. Examination script.

THIS QUESTION PAPER CONSISTS OF 4 PAGES (Including this front page)

SECTION A: MULTIPLE CHOICE**[10 MARKS]**

1. Namibia's policy for attracting FDIs into the country is known as:
 - a) HPP
 - b) NDP5
 - c) SEZ
 - d) EPZ
2. The conditions that serve as a indicator of a looming macroeconomic instability is:
 - a) Weaknesses in the financial sector
 - b) Low enrollment rate
 - c) None of the above
 - d) All of the above
3. Ministry of Justice fall under..... branch of the state:
 - a) Legislature
 - b) Executive
 - c) Judiciary
 - d) None of the above
4. A political system where a democratically elected president is above the law since he is the one that appoints the law makers is known as a:
 - a) Democracy
 - b) Dictatorship
 - c) Autocracy
 - d) None of the above
5. Monetary Policy affects economic activities by:
 - a) Impacting the monetary policy of Namibia
 - b) Impacting taxes and subsidies of Government
 - c) Impacting money supply in the country
 - d) Impacting the money paid to the Banking School of Namibia
6. The largest contributor to the GDP of Namibia is:
 - a) Tertiary Industry
 - b) Secondary Industry
 - c) Government sector
 - d) Primary industry
7. Prolonged unemployment increases the chances ofhired/employed:
 - a) Not being
 - b) Being
 - c) All of the above
 - d) None of the above

8. Banking and Financial sector falls under:
- a) Tertiary Industry
 - b) Primary Industry
 - c) Secondary Industry
 - d) All of the above
9. The usage of tax and public spending constitutes the:
- a) EPZ Policy
 - b) Fiscal policy
 - c) Monetary policy
 - d) none of the above
10. The most effective channel in the monetary policy transmission mechanism of Namibia is:
- a) Bank rate channel
 - b) Asset price channel
 - c) Credit channel
 - d) Exchange rate channel

SECTION B: TRUE OR FALSE

[10 Marks]

1. Namibia is maintaining a fixed exchange rate with the Namibia dollar pegged to the South African Rand because of colonialism.
2. Tax decreases increase funds for private and business spending.
3. Monetary policy cannot be used to reduce unemployment in the country.
4. Mercantilism is in support of Government's leading role in trade.
5. Privatization is a process that involves handing over of government responsibilities to the private sector.
6. Economic integration leads to less specialization especially for a small country that Neighbours a big country like South Africa.
7. The CMA is made up of all SADC member countries.
8. Achieving macroeconomic stability does not require creating a transparent system of public expenditure.
9. Things don't work in government due to measurement challenges.
10. Monetarist do not believe that monetary policy can be effective in preventing inflation.

SECTION C:**[35 Marks]**

Question 1**[10 marks]**

Define the following terms

- 1) Free market system
- 2) Economic integration
- 3) Primary Industry
- 4) Financial intermediary
- 5) Monetary policy instrument

Question 2:**[15 Marks]**

Distinguish between the following comparative terms

1. Absolute and Comparative advantage
2. Legislative and Executive branch of Government
3. Monetary and fiscal policy

Question 3:**[10 marks]**

List Ten (10) challenges that are preventing SADC to achieve its stated objectives

SECTION D:**[45 Marks]**

Question 1:**[10 marks]**

Discuss in detail (with appropriate examples) the five levels of economic integration

Question 2:**[15 marks]**

Privatization is seen to be the optimal solution for most government that wants to re-structure their economic sectors for the benefit of the state, yet many remain opposed to it. In your view, discuss the main reasons against Privatization.

Question 3:**[20 marks]**

Discuss five attributes of good governance